



REPORT FROM: CORPORATE DIRECTOR

TO: POLICY AND RESOURCES COMMITTEE

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TRANSFER OF SERVICES AND FACILITIES TO TOWN AND PARISH COUNCILS

PURPOSE OF REPORT:

To report on progress with the variation of the lease of the Pendle Heritage Centre, and the transfer of the Barrowford Memorial Park and freehold of the Heritage Centre to Barrowford Parish Council: and to consider the transfer of miscellaneous pieces of land to Earby Town Council.

RECOMMENDATIONS

- (1) That the progress on the lease of the Heritage Centre and the intended transfer to Barrowford Parish Council be noted.
- (2) That approval be given to the transfers of the sites listed to Earby Town Council.

REASON FOR RECOMMENDATIONS

To further the programme of transfers to town and parish councils.

Pendle Heritage Centre and Barrowford Memorial Park

1. The Council, at its meeting in September, requested a progress report to this meeting on the variation of the lease of the Pendle Heritage Centre. A meeting was held with the Chairman of Pendle Heritage Trust and their legal advisor last month to discuss the main issues.
2. The Council envisaged a variation and extension of the present lease. To correct errors which have since come to light in respect of the registration of the present lease and to deal with the extension, it has been agreed that the existing lease will be surrendered and a new one granted for 100 years. The lessee will be the Heritage Trust for the North West.
3. The Council wished that the permitted use be extended to permit the supply of alcohol in the tearoom and in connection with functions held on the premises. The restriction on this is in fact contained in a covenant on the Council's freehold title rather than in the lease itself.

There are doubts as to its enforceability and the Trust will take out indemnity insurance in respect of any alleged breach.

4. The Council also wished more generally to allow activities of a commercial nature with the intention that the proceeds be invested in the Heritage Centre. It has been agreed to make this as wide as reasonably possible bearing in mind the lease is for 100 years and there may be many changes in acceptable commercial activities the future. The lease will still contain covenants against causing a nuisance etc arising from the permitted use.
5. The lease will permit the Trust to grant short lettings of the cottages and the franchising of the catering and hospitality facilities in line with the Council's intention.
6. The Heritage Trust for the North West will be able, with the Council's consent, to grant a sublease to the Pendle Heritage Trust.
7. The Trust will continue to be responsible for the maintenance and repair of drains, sewers, pipes, cables and streams which pass through the land.
8. The Trust understands that it will not be able to charge for car parking on the land in the lease.
9. The Council expressed its wish to free up the Trust to raise capital but in a way that the surety of the property is protected in the event that the Trust defaults or becomes insolvent or ceases to exist. I was asked to look further into this.
10. The current lease does not permit mortgaging or charging the property but provision could be included to allow the Trust to do so with the express consent of the Council. It does also provide that the Council can forfeit the lease in the event of insolvency and this would be retained.
11. It may well be that the new lease would still not be viewed by a lender as sufficient security and alternative suggestions put forward are that the Council itself could consider making a loan or that it could act as guarantor for a loan from a commercial lender. Clearly the Council cannot make a binding commitment in the lease or otherwise to either of these courses and it would need to consider any proposal at the time on its merits (eg: scale of loan, the Trust plans for repayment, the risks, etc.). At this stage it has been left that the Trust will make further investigations into its options for raising capital.
12. In summary, good progress has been made so far and the new lease will be finalised as soon as possible; the intention being that the Council will then be in a position to deal with the transfer of the freehold of the Heritage Centre and Barrowford Memorial Park to Barrowford Parish Council by 1st April.

Transfer of miscellaneous pieces of land to Earby Town Council

13. The Council has previously invited town and parish councils to consider taking transfers of miscellaneous pieces of land, generally amenity spaces and areas of public space. By doing so the Council relieves itself of maintenance liabilities.

14. Earby Town Council has requested that the Council transfer the following to it, as shown on the attached plans:
- The green at Stoney Bank.
 - The freehold of the allotments on Cemetery Road- these are currently leased to the Town Council on a peppercorn rent.
 - The freehold of the Croquet Club at Cemetery Road – this is currently leased to the Club at a current rent of £700 per annum.
 - The car park at Cemetery Road.
15. Officers confirm that none of the sites are considered to have development potential and raise no objection to their disposal. The transfers would be at nominal consideration and subject to the usual covenants as to retention for community use and non-disposal for 10 years for a non- community use.

IMPLICATIONS

Policy:	The Council's policy is to transfer facilities and services to town and parish councils and other community organisations both to help realise budget savings and to help ensure they remain in local control for the foreseeable future.
Financial:	The General Disposal Consent 2003 allows the Council to transfer assets at an undervalue. The Council would forego the rental income if it disposes of the freehold of the Croquet Club.
Legal:	The transfers would be subject to the covenants referred to in paragraph 15.
Risk Management:	None arising from the report.
Health and Safety:	None arising from the report.
Sustainability:	None arising from the report.
Community Safety:	None arising from the report.
Equality and Diversity:	None arising from the report.

APPENDICES

Plans of the pieces of land.